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EXAMINER

LE, KHANH H

ART UNIT PAPER NUMBER

3622

DATE MAILED: 06/19/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/888,439

Applicant(s)

LANDESMANN, MARK

Examiner

Khanh H. Le

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 11 March 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) See Continuation Sheet is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-21, 27-35, 39-70, 74-75, 94-111, 117-125, 129-160, 164-165, 194-205 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☒ Claim(s) See Continuation Sheet are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

Continuation of Disposition of Claims: Claims pending in the application are 1-21, 27-35, 39-70, 74-75, 94- 111, 117-125, 129 160, 164-165, 194-205 .

Continuation of Disposition of Claims: Claims subject to restriction and/or election requirement are 80-87, 170-177; 76, 77-79, 166, 167-169; 22, 23-26, 112-116; 71-72, 73, 161-162, 163; 36-38, 126-128 .

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### **DETAILED ACTION**

1. This Office Action is responsive to the Request for Extension of Time, the Amendment and Reply dated 3/11/03, and the 5 declarations under Rule 132.

#### **Claims status as of the first Office Action:**

Claims 1-193 were submitted;

Claims 88-93 and 178-193 were cancelled as requested ;

claims 1-87, and 94-177 were pending;

claims 80-87, 170-177; 76, 77-79, 166, 167-169; 22, 23-26, and parallel claims 112-116; 71-72, 73, and parallel claims 161-162, 163; 36-38, and parallel claims 126-128 are withdrawn.

claims 1-21, 27-35, 39-70, 74-75, 94- 111, 117-125, 129-160, 164-165 were examined.

#### **Present Claims status**

All previously examined claims have been amended except claims 7, 16, 37-40, 43, 46, 48, 51, 53, 56, 72-73, 75-77, 79, 81, 83-87, and their parallel claims.

Claims 194-205 have been added.

Applicant elected the species group I comprising claims 1-21, 27-35, 39-70, 74-75, 94-111, 117-125, 129-160, and 164-165.

Claims 1-21, 27-35, 39-70, 74-75, 94- 111, 117-125, 129-160, 164-165, 194-205 are being examined.

The amendment to the specifications have been entered.

#### **Examiner's Note**

2. The Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claims, other passages and figures apply as well. It is requested from the Applicant, in preparing the response, to consider fully the entire references as well as the context of all references passages as potentially teaching all or part of the claimed inventions.

#### **Objections to Specifications**

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3. Withdrawn.

### Double Patenting

4. A rejection based on double patenting of the "same invention" type finds its support in the language of 35 U.S.C. 101 which states that "whoever invents or discovers any new and useful process ... may obtain a patent therefor ..." (Emphasis added). Thus, the term "same invention," in this context, means an invention drawn to identical subject matter. See *Miller v. Eagle Mfg. Co.*, 151 U.S. 186 (1894); *In re Ockert*, 245 F.2d 467, 114 USPQ 330 (CCPA 1957); and *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970).

A statutory type (35 U.S.C. 101) double patenting rejection can be overcome by canceling or amending the conflicting claims so they are no longer coextensive in scope. The filing of a terminal disclaimer cannot overcome a double patenting rejection based upon 35 U.S.C. 101.

4a. Claim 1 is identical to inventions claimed in 2 other pending applications, 09/758,239, 09/837,377. This is a provisional double patenting rejection since the conflicting claims have not in fact been patented.

4b. Applicant is advised that other **non-statutory double patenting** issues are also raised with the remaining claims. To expedite examination, The Examiner would suggest the filing of terminal disclaimers as to all pending applications, including Application 10/095,534.

### Remarks

5. Applicant's remarks and the 5 affidavits under rule 132 have been considered. However, due to the extensive amendments, the previous art rejections are withdrawn, new art has been applied therefore Applicant's remarks and the arguments in the affidavits are largely moot.

Please note that the independent claims still do not convey the idea of voluntary submission, consent or permission from the buyer entities.

Please note that Peirce discloses all of the following argued features:

1. a transfer of transaction records or information derived from transaction records (herein after the "Proofs of purchases" or POP's) into the system from outside the system (Element #1.): the system is the credit card processor system /dealmaker which facilitates the matchmaking of offers to cardholders,( col 2 l. 8-13) ; outside the system are the payment cards issuers; a second

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party that is independent of the POP's payment system is the central credit card processor/matchmaker

2. the information comes indirectly from the buyer entity (element #2 )

3. the information comprises "third party purchase records " ("element #3") : the card payments records which record third party purchase records e.g. Nordstom.

4. the incentive that is being offered promotes the product of a third party with a distinct business activity. ("element #4"): the "merchants" in Peirce which are different from the POP merchants.

5. the buyer entity, which is the provider of the above mentioned transaction records, must be provided with at least one from a plurality of necessarily "contingent preferential" incentives...

("element #5):Peirce's "targeted merchant discount offers" (abstract)

6. the incentive for the advertiser's product or service is offered to the buyer entity, "without transferring to said third party advertiser directly or indirectly any full name associated with said buyer entity at the time that the incentive is offered but has not yet been responded to by said buyer entity." ("element #6"): Peirce, col 2 l. 1-33, privacy concerns.

As to element #1 , as to the scope of "receiving ..indirectly ...third party purchase records...for which the payment was not carried out by the system" , Applicants argue , at page 26, that *"Specifically, a credit card issuing bank would not be implementing the invention embodiment described in claim 1 if it does not receive any purchase record information on a particular buying entity except those contained with respect to payments made with a single credit card issued by that bank."* However Applicants continue that, for example, purchases records from a credit card by an issuer bank and from another credit card" issued by a separate business unit within the same bank." would implement claim 1.

This argument or definition renders the scope of "the system" indefinite. Specifically "for which the payment was not carried out by the system" is rendered indefinite.

The combination of two or more issuers cards, for one buyer, still cannot implement claim 1, as argued, because

using purchase records from the combination of two or more issuers cards

still would be using purchase records...for which the payment was carried out by the system, albeit the system of the combination (emphasis added) in direct contrast to the claim 1 language of " third party purchase records...for which the payment was not carried out by the system".

If Applicants desire to claim what is argued on page 26 , the language of claim 1 should more explicitly convey such idea, absent an explicit definition in the specifications as to what constitute "for which the payment was not carried out by the system". The Examiner has been unable to find such explicit definition in the specifications. Judging from the argument in the last paragraph of page 25, such explicit definition in the specifications has not been provided.

For prior art application purposes , the "system" is interpreted as the central credit card processor ,( col 2 l. 8-13) /matchmaker/ Dealmaker in Peirce. In Peirce the credit card issuers are interpreted as being outside the system.

**112(2) Claim Rejections - 35 USC § 112**

6a. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6b. Claim 1, all claims containing similarly rejected language and their parallel claims in other formats, are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

“possible” in claim 1’s “each of said incentives offering at least one benefit in exchange for at least one action associated with a possible purchase of at least one of said items” renders the claim indefinite: it is not clear whether a purchase is required or not.

The scope of “for which the payment was not carried out by the system” in claim 1 is also indefinite. See discussion of “element#1” in Remarks section above.

**Claims Rejections. 35 USC 103**

7. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**8. Claims 1-21, 27-35, 39-70, 74-75, 94-111, 117-125, 129-160, 164-165, 194-205, are rejected under 35 U.S.C. 103(a) as being unpatentable over Peirce et al, US 6,332,126 B1 in view of well-known data-mining/incentive targeting methods.**

Peirce et al, US 6,332,126 B1 discloses

Peirce discloses delivery of targeted incentives to a select group of customers, with the incentives determined for the users based on past purchase histories including purchases of particular types of products, demographics (col 3), segmentation for such delivery (col 2 l. 63-67), such segmenting also based on additional non-purchase information (col 2) monitoring of user performance as an indication of acceptance of the offers. Implicit in Peirce are steps of POP’s database set-up, and searching according to marketing criteria.

Peirce et al, US 6,332,126 B1 discloses at least claim 1:

1. (Amended) A method for buyer-driven targeting by a system (system of credit card processor, /matchmaker of offers to cardholders, col 2 l. 8-14; Fig 1 and associated text) comprising:

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a) receiving indirectly from each of a plurality of buyer entities (not opting out= consenting see at least col 10 l. 64-68) ) at least one respective third party purchase record said purchase record comprising data associated with the purchase of products or services for which the payment was not carried out by the system (the “system” is interpreted as the central credit card processor ,( col 2 l. 8-13) /matchmaker/ Dealmaker in Peirce. In Peirce the credit card issuers are interpreted as being outside the system).

b) storing information associated with said data (see at least Fig. 1.6 item and associated text)

c) for a plurality of product or service items offered for sale,  
**wherein each different item in said plurality of items is either manufactured or marketed or distributed or provided by a different third party advertiser in a plurality of third party advertisers and**  
 wherein said manufacture, marketing, distribution or provision is not carried out by said system in the ordinary course of business,  
**making or helping make ( the credit card processor/dealmaker helps make) with respect to at least one of said buyer entities,**

based at least in part on said data,  
**at least one discriminatory decision**

associated with the offering of at least one from among a plurality of different  
**preferential contingent incentives, (see at least Fig. 1 item 1.2 ‘offer development’ and associated text)**

with each incentive associated with at least one of said items and associated with at least one of said third party advertisers (see at least Fig.1 item 1.1 and associated text)

wherein there is at least one different preferential contingent incentive from each of the plurality of said different third party advertisers, each of said incentives offering at least one benefit in exchange for at least one action associated with a possible purchase of at least one of said items,

said benefit not normally and publicly accessible to said buyer entity or other buyer entities in the same geographic region on terms which are at least objectively equivalent ( abstract, “targeted ..offers” ),

and which do not include material conditions that are different from said at least one action,

said discriminatory decision regarding the at least one incentive that is to be offered to the buyer entity being based at least in part on stored data relating to purchases made by said buyer entity with merchants other than the third party advertiser that is associated with the incentive; and

d) offering or facilitating the offering (abstract, Fig 1, item 1.8 and associated text) of at least one of said preferential contingent ( see at least : abstract, “Targeted merchant discount offers” : targeted means preferential, discount offers implies contingent on



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purchases from the advertisers) incentives to said buyer entity, without having transferred to said third party advertiser directly or indirectly any full name associated with said buyer entity at the time that said incentive is offered but has not yet been responded to by said buyer entity, ( see at least col 2 l. 29-33: "privacy" ).

with the condition precedent for this step that said system has received directly or indirectly from that buyer entity said at least one respective third party purchase record ( see at least col 5 l. 59-col. 6 l. 42).

All other claim limitations are either disclosed in Peirce or known in the art as cited in the Previous Office Action. The combination of Peirce and the other references is obvious to one skilled in the art at invention time because they all pertain to the same advertising/marketing arts and one skilled in the art would have looked at these references to enhance Peirce's disclosures. Further, Peirce teaches and achieves the same goal as advocated to be Applicant's main inventive concept. (see col 1 l. 65-col 2 l. 33).

For example

**Walker, US 6434534 , herein "Walker /534 discloses**

delivery of targeted incentives to a select group of customers , through all channels of communications, ( col 9 l. 40-53) , with the incentives determined by scores calculated for the users based on past purchase histories including scores based on purchases of particular types of products (col 7-8) , monitoring of user performance as an indication of acceptance of the offer, (Fig 6 and associated text.; col 9 l. 40-67, monitoring transactions against performance target= if target exceeded , customer has accepted) , user preferences input accounted for ( col 9,l. 1<sup>st</sup> paragraph). Implicit in Walker are steps of POP's database set-up, and searching according to marketing criteria. (Fig 2-6 and associated text) .

It would have been obvious to one skilled in the art at the time of the invention to use some of the specific targeting of offers and segmentation techniques taught by Walker to enhance the targeting /segmentation taught in Peirce because they all pertain to the same advertising/marketing arts and one skilled in the art would have looked at these references to enhance Peirce's disclosures to provide better targeting and better customer satisfaction.

**As such, Peirce in view of prior art such as Walker discloses at least claims 1- 6, 8-10, 12-14, 17, 18-19:**

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Further, it is obvious, Peirce can be applied to other legal entities (claim 7) than individuals (claim 6) which it discloses, to extend the reach of the Peirce's system to all buyers types.

The following are well-known data-mining methods to define a target group to offer customized incentives.

**II. Segmenting the consumers for efficient targeted incentives delivery is known**

(Peirce discloses incentives based on purchase histories involving many merchants sent to a select group of users satisfying search criteria; including demographic information. Claims 2,3 are rejected on this basis.

*(Walker /534 also discloses some features pertaining to claims 2 and 3*

*Claim 2. 1, wherein the searching step results in the obtaining a group of buyer entities that meet the search criteria ( In Walker, a number of account holders are identified as having charge volume below a certain min, see table 1, col 8; col 8 l. 53-55) ) ; and wherein the providing an incentive step comprises providing an incentive to each of the buyer entities in the group (to those identified in Walker, an incentive is sent out).*

*Claim 3. 1, wherein the data base includes demographic information of each of a plurality of buyer entities (Walker , Fig 3, addresses; col 7 l. 58 et seq. to col 8 , e.g. annual income; also it is well known, and admitted that Golden et al 5761648 discloses submission of such as part of profiles) .*

**a) Scoring consumers for targeted marketing is old.** (e.g., see "Fleet financial banks on data warehouse, Target Marketing, Philadelphia, Nov 1998, which discloses segmenting a population based on combined modeling methods (p. 2 first full para. ) in which the consumers are sorted ( by scores, p. 1) as good/bad prospects for marketing mailings).

Walker/ 534 discloses at col 7 and 8, scoring systems for evaluating consumers to deliver customized offers.

Thus one skilled in the arts would have known to score to segment a population of consumers for efficient targeted incentives delivery. Combination with Peirce is as stated above to enhance the targeting of incentives for the customers' satisfaction.

Thus based on the above discussion of prior art, as to the limitations discussed, Applicants' claims 1-13 are rejected, as to those limitations.

**b) Further scoring a consumer for segmentation purposes, based on a multitude of models (criteria, indicators) is known.**

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(Fleet financial article; Walker /534 , col 7 and 8) .

Also see Bayesian Model Averaging: A Tutorial (with discussion) ( 306k bytes )  
Corrected version of the Statistical Science 14:4, 382-417 article.

Jennifer A. Hoeting, David Madigan, Adrian E. Raftery and Chris T. Volinsky, November 1999, downloaded Jul 22, 2002 from [www.stat.washington.edu/www/research/online/hoeting1999](http://www.stat.washington.edu/www/research/online/hoeting1999), hereinafter "the BMA article". which , at pages 393-394, especially p. 394 col 1 first 2 full paragraphs, discloses combining several models and Segmenting/providing targeted offers based on a resulting score for each population member. BM discloses that combining models enhances predictive results.

**Applicants 'claimed "recalculating of scores" based on additional criteria is interpreted equivalent to combining scores, per population member, obtained based on additional segmentation models, to obtain a composite score, such as disclosed by the BMA article or Fleet Financial . Thus, it would have been obvious to one skilled in the art to recalculate each consumer score as claimed , for enhanced segmentation (predictive) results, as disclosed in the BMA article .**

Also note that Walker/534 also discloses continuous updating of transaction history (equal to scoring) to send new incentives. Peirce also discloses updated histories.

**Thus based on the above discussion of prior art, all Applicants' claims involving recalculating of scores for segmentation purposes, at least claims 75, 17-20, 39-40, 22-25, 27-32, 42-46, 47, 52-56, are rejected, as to those limitations.**

**c) As to the criteria defining each additional segmentation model (to recalculate the score) , user traits that have been traditionally monitored and used as criteria include:**

**c1) Segmenting/providing targeted offers per product, each product being a model is old.**

(see e.g. Walker/534 , col 8 first para.; Deaton, US 5592560, also Peirce re. targeted incentives based on specific products bought) Thus it would have been obvious to organize the database per categories of products to facilitate searching /matching and therefore segmenting. Claim 4 is rejected on this basis.

Claim 4. 1, further comprising the step of categorizing of purchases listed from a plurality of independent third parties in the proof of purchase records based on at least one category; and calculating at least one score for a buyer entity based on the amount

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purchased in one or more selected categories; and entering the score for the buyer entity in the data base

( In Walker scores are calculated based on which offers are set, col. 7, col 8 l. 55-61; and those scores can be based on purchase categories, col 8 l. 1-7; thus adding Walker to Peirce would have been obvious.

**As to claims 8-9, 12-14**

Peirce also discloses a system for sending incentives from different parties selling different categories of goods/services (Further targeting per categories of products/ etc.. is well-known. (see e.g. Walker, Deaton) .

In that case it is obvious to sort the database by categories of goods/ services/third party providers, the user preferences input as to categories entered accordingly , the search conducted accordingly, and the targeted group defined and incentives sent out accordingly .

As to claims 8-9, Walker discloses input by user of preferences as to types of offers, col 9,l. 1<sup>st</sup> paragraph, searched accordingly (inherently) , and therefore it is obvious that merchant categories can be substituted as user preferences, in view of the state of the targeting art to accommodate the user preferences as taught by Walker. It is also obvious an indication of a threshold of incentive acceptable to the user can be added as customer satisfaction enhancement (claim 9) .

**c2) Segmenting/providing targeted offers per Amount spent per category is old .**

Peirce also discloses same.

(Walker discloses a database of POP's based on categories and amounts spent per categories, col 7 and 8; "size and types of purchases and spending categories" , col 8 first para., scores based on those, (claim 13) and also composite score based on a number of characteristics( see col 8 l. 53-61) (Claim 14). (Neither Piece not Walker explicitly discloses that the composite score is a function of the separate scores per category, however it is known each category can be a model and an score calculated for each category) .

Thus, Applicants' claims 4, 5, 12, 13 , 14 (composite score for all the categories), are rejected on this basis.

**c3) Segmenting/providing targeted offers per past and present transactions is old .**  
see Peirce.

(See e.g. Walker /534, col 7 and 8 (past purchases); Fig 6 and associated text: tracks POP's , performance level (recalculated score) to set new incentive based on latest performance score;

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Also see e.g., Dedrich 5717923 monitors user activity to update profile, abstract;  
Ng, WO 00/62184, 10, 11, purchases and click streams are monitored for targeting.)

Thus, Applicants' claims: 17, 39-40 : updating of new and additional POP's are rejected on this basis.

**c4) Segmenting/providing targeted offers based on whether the buyer accepts an incentive is old**

(Both Peirce and Walker discloses monitoring performance. Performing at the desired level is equal to accepting the incentive conditioned on the performance level). Thus claims 10, 47 are rejected on that basis.

(e.g. Claim 10. 1, further comprising the steps of obtaining information on whether one of the buyer entities accepted the incentive; and inputting this information to the database. (Walker, col 9 l. 40-67, monitoring transactions against performance target= if target exceeded, customer has accepted)

**c5) Segmenting/providing targeted offers based on whether one of the buyer entities made a follow-up purchase or a co-purchase contemporaneous with or after accepting an incentive is old**

(see e.g., Ng p. 4, 5, 10; Walker et al, US 641526, Fig 15B)

Thus Applicants' claims 10, 11, 12, 42, 62 are rejected on this basis.

Also as to claim 62(Amended)  
Peirce discloses

obtaining permission from the buyer entity for linking to a third party database (the issuers) and for otherwise obtaining additional information from at least one third party on the buyer entity purchases, (e.g. demographics, col 3 l. 35+; purchases using the discounts, col 3 l. 57-60)

linking to the third party database and inputting the additional information therefrom on the purchases of the same buyer entity or otherwise obtaining additional information from said at least one third party on the buyer entity purchases and

inputting the additional information (see at least col 3 l. 57-60).

**c6) Segmenting/providing targeted offers based on whether one of the buyer entities view a website is old**

( see e.g., Ng, WO 00/62184, 10, 11, purchases and click streams are monitored for targeting;

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Gardenswartz, US 6055573 A )  
thus Applicants' claim 52 is rejected on that basis.

**c7) Segmenting/providing targeted offers and giving superior terms based on non-purchase/additional information from third parties is old**

Also as to claims 27 and 28:

Peirce discloses at least:

(Amended)The method as defined in claim 13 wherein said receiving step further includes:

obtaining permission from at least one of the buyer entities (not opting out) to supplement the data with additional information associated with the buyer entity from a third party information broker; and wherein said storing includes storing said additional information; (Peirce discloses refining the offers for certain cardholders with additional demographics data (col 3 l. 37-43) by the issuers (who are interpreted as third party brokers because they facilitate the offers transfer). (Also see col 2 l. 55-65, additional data available for targeting.)

In view of Peirce teachings and other general marketing facts, one skilled in the arts would have known to use give superior offers for superior demographics to achieve better card usage, and customer satisfaction as taught by Peirce, col 3 l. 37-43. Therefore the following limitation would have been obvious as well.

and wherein said offering is based on terms being, all other things equal, superior to terms on which an incentive associated with the same third party advertiser is offered to another buyer entity similar to the buyer entity, which did not provide said additional information .

As to claim 29, Peirce in view of Walker as discussed above disclose

(Amended) The method as defined in claim 27, further comprising: receiving an authorization from said one of the buyer entities as a threshold requirement to using said additional information to change a plurality of scores.

**III) Further, criteria for setting the incentive and when to deliver the incentive, such as the following , are old.**

See e.g. "Walker 534".

**a) Setting Incentive based on the calculated score is old,,**

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(Walker /534, abstract, conditions of offers and therefore offers, are based on past and current performance levels which are interpreted as scores)

**b) Criteria: Purchases of a particular product or service and /or Amount spent/category:**

( see e.g., admitted art, Scroggie, 5970469, Walker /534, col 7 and 8 behavior scores)  
Thus claim 5 is rejected on this basis. Also see Peirce.

**c) Criteria: Min purchase amount/category and /or min times of buying of the goods, over predetermined time period**

(Walker /534, col 7 and 8 quarterly charge volume, number of transactions/month ).  
Thus claims 60, 61, 74 are rejected on this basis. Also see Peirce.

**d) Criteria: Buyer indicates merchant category preferences** (Walker /534, at col 9 1<sup>st</sup> para., discloses buyer indicates offers preferences(i.e. showing willingness to receive incentives) , by e-input, including mileage reward preferences, i.e. merchant category preferences). Thus claims 8 (willingness), 58, 59 (e-input) are rejected on this basis. Further it is obvious that Buyers can be given the choice to indicate minimum acceptable incentive to enhance customer interest/satisfaction . Thus claim 9 is rejected on this basis.

As to claims 18-20, and claims that have parallel limitation, i.e. claims 23-25, 30-32, 43-45,48, 53-55, 77-79, Walker /534 discloses if a buyer is Qualified for an Ongoing Incentive based on the recalculated score (claims 18, 23, 30 ; 43, 48, 53, 77 ) (abstract., if attain first level, receive on-going offered reward.,; monitor performance to determine if qualifying for the presently offered incentive, Fig 6 and associated text)

Providing a plurality of incentives sent from different advertisers to a buyer through a common system is known (See Peirce. Also see e.g., Ng, Scroggie, cited by Applicant; also Dedrich ) and determining a sequence for delivering the plural offers based on the buyers' score is known (see e.g. Capek et al , US 6094677, "the insertions provided to the client 24 may also be tied to one another as in a sequence of advertisements . In this case, during an instance of the present invention, a sequence of insertions may have been determined to be appropriate for a particular client 24 and one of the insertions within the sequence provided to the client 24 in that instance by the insertion manager 20").

Thus claims 15, 20, 25, 32, 45, 50, 55, 79 are rejected on this basis.

As to claims 19, 24, 31, 34, 44, 49, 54, 57, 78 , Walker/534 discloses recalculating the incentive determined in said incentive providing step by applying said recalculated score of said one of the buyer entities to an incentive function."(Fig 6 and associated text).

As to claims 16, 21, 26, 33, 46, 51, 56, that the plurality of incentives are provided across a plurality of distribution channels after segmentation is obvious. Motivation to combine: to provide wide spread ways of delivery of incentives.

As to Claim 75. Walker discloses continuous updating of the database and continuous recalculating of the scores.

As to claims 5, 15 and the likes (20, 25, 32, 45, 55, 79); claim 35, 63 (cookie on incentive to monitor) ; 64-65 (rating products) 66-68 ; 69 (compare POP to third parties (3P) source databases (db) and entering only valid ones)

Peirce in view of some of the specifically discussed prior art above does not specifically disclose those. However, some of the above cited art may disclose the additional limitation, or, those additional limitations are well-known in the marketing arts before alleged invention time.

**It is obvious to add these features to the Peirce system modified as discussed above, to expand the capabilities of the data mining/ad and incentives targeting system , a goal well disclosed in the art.**

**Any other enhancing feature discussed above or below, and not specifically or individually addressed , are also obvious to be added to the modified Peirce system for the same enhancing reasons, as all these teachings can be found the data mining/ marketing arts.**

As to Claim 41, Dedrich discloses calculating a fee based on the scores of the buyers who were provided the incentive ( col 5 l. 20-30, "consumer scale")

Charging advertisers for delivering a target group of customers is old. Dedrich., 5717923, Fig 7b and associated text, item 218 ). Thus Applicants' claims 66-68 , re. charging for providing the incentive to the targeted group are rejected on this basis.

**Claims 35: sending a buyer's profile to a 3P (e.g. Dedrich, Fig 6B, step 120) after receiving authorization of the buyer is obvious in view of the prior art as discussed above. It is further obvious such profile can be quantified as a score as the technique known in the art. ( see e.g. Walker, Dedrich).**

**Claim 69: Both Peirce and Walker verify the validity of the POPs to allow better incentives. Comparing POP's submitted by buyers to 3P source databases and entering only valid ones would have been obvious since actual POPs are valuable in an incentive system such as taught by Peirce, thus one skilled in the art would have known to include such verification in a system such as Peirce modified further by explicit authorization by the buyers.**

As to Claim 63, the use of cookies on incentives to monitor activity as to incentive is known and obvious to be included in the Peirce system as modified as discussed above to permit on-line monitoring as known in the art before invention time.



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**As to Claim 71, the use of cookies to score, and located on buyer computer accessible by others, is known at invention time, and obvious to be used to ease monitoring. It is further obvious such score may be done per category bought to further the particular data mining goal.**

As to claims 64 and 65, rating the product as claimed is old in the art and obvious to incorporate to enhance the data mining capabilities.

As to claim 70 (Amended)  
Peirce discloses

obtaining permission from a buyer entity to enter into a database additional information from the purchase records pertaining only to at least one category of purchases, categorizing purchases relative to an additional database of the categories, and [entering] storing only purchases within [selected] said at least one category. (storing of purchases in response to offers, (see at least col 3 l. 57-60).

**Apparatus Claims 94- 111,117-125, 129-160,164-165 which parallel method claims 1-21, 27-35, 39-70,74-75 are rejected on the same basis.**

**New claims 194-205:**

**In regards to the new claims, Peirce discloses claims 194-196, 199, 201-202, 204-205 (see Examiner's note).**

194.(New) 1, wherein the making or helping make step comprises receiving and storing different incentive data relating to the at least one different preferential contingent incentive from each of the plurality of the different third party advertisers; and selecting at least one from among the plurality of contingent preferential third party incentives based on a criteria.

195. (New) 1, wherein the purchase records or information verifiably derived therefrom received from the plurality of buyer entities are issued by a plurality of merchants, and wherein each in a plurality of the third party advertisers provides a different set of one or more criteria or criteria information from which the criteria may be derived for selecting said buyer entities, and wherein a different group of one or more of said buyer entities is selected for each of the different sets of selection criteria or criteria information from which the criteria may be derived.

196. (New) 1, further comprising receiving selection information for selecting said buyer entities from one of the third party advertisers; and determining a number of said buyer entities with said data in the system that meets said selection information; and communicating said number to said one of said third party advertisers.

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199. (New) 1, wherein the purchase records associated with one of said plurality of buyer entities include records made available to buyer entity by at least two different merchants.

201. (New) 1, wherein the contingent preferential third party incentive is a preferential price or discount, and wherein a contingency of said contingent preferential third party incentive is a required action of purchasing a product or service sold or distributed by the third party advertiser offering the incentive.

202. (New) 1, further comprising receiving a communication ..indirectly from the buyer entity which facilitates the identification of particular purchases ... which the buyer entity wishes the system to either store .. or otherwise use.. for the purpose of determining the buyer entity's qualification to receive said contingent preferential third party incentive.

Claim 204. (New) parallels claim 1 in program product format and is similarly rejected.

205. (New) A method for buyer-driven targeting comprising:  
receiving indirectly from each of a plurality of buyer entities at least one respective third party purchase record;  
storing information associated with said data;  
for at least one product or service item offered for sale, making or helping make with respect to at least one of said buyer entities, at least one discriminatory decision associated with the offering of at least one preferential contingent incentive said at least one incentive offering at least one benefit in exchange for at least one action associated with a possible purchase of said item, said benefit not normally and publicly accessible to said buyer entity or other buyer entities in the same geographic region on terms which are at least objectively equivalent, and which do not include material conditions that are different from said at least one action, said discriminatory decision regarding the at least one incentive that is to be offered to the buyer entity being based at least in part on stored data relating to purchases made by said buyer entity with merchants other than the merchant that markets or distributes or manufactures said item, if said item is not a payment instrument or payment processing service, and offering or facilitating the offering of at least one of said preferential contingent incentives to said buyer entity.

**In regards to new claims 197, 198, 200, Peirce in view of well-known facts as supported in the art of record discloses:**

197. (New) 4, further comprising communicating to said buyer entities at least one of said scores or an indicator of the benefits that the buyer entities can derive from at least one of said scores. Pierce discloses notification of benefits to the buyers. One skilled in the art would have known to also include notification of the score if such is a measure of the benefits to enthruse the buyers and thereby secure the continued consent, by non-opting out or otherwise, as taught by Peirce ( col 2 l. 1-33)

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198. (New) 1, wherein the purchase records provide purchase information on purchases made with at least two different payment instruments. It is well-known a consumer in the United States may own several payment cards. Thus it would have been obvious from the teachings of Peirce to incorporate several different payment cards for one buyer entity that are processed by the same processor to extend the data mining capability of the system and offer more incentives to the consumer, a goal taught by Peirce (col 2 l. 1-33)

200. (New) 1, wherein the purchase records are received from the buyer entity via at least two of the following methods: ... authorized access to credit card account, ... authorized access to a frequent flyer or other loyalty or incentive program account.

It is known some loyalty program accounts are also payment card accounts thus it would have been obvious from the teachings of Peirce to incorporate several different payment cards for one buyer entity that are processed by the same processor to extend the data mining capability of the system and offer more incentives to the consumer, a goal taught by Peirce (col 2 l. 1-33).

203. (New) 1, wherein the purchase records do not contain significant restrictions on the use of said purchase records by merchants which compete with merchants whose names or brand names are mentioned on said purchase records.

It is interpreted from this claim language that some restrictions are allowed. There is no restriction in Peirce that, for example, Lord and Taylor is restricted from advertising when Nordstrom appears as a merchant on the proof of purchases, therefore claim 203 reads on Peirce.

### **Conclusion**

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Gardenswartz et al, US 6298330 B, discloses Communicating with a computer based on the offline purchase history of a particular consumer, including interactive TV systems, at cols 6 and 7.

Kramer et al, US 6327574 B1 discloses

A system and method provide for the interpretation and augmenting of structured documents electronically delivered to an individual consumer's computer using consumer profiles developed from and maintained with information reflecting the consumer's online and offline transactions, by selecting the

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variable content alternatives encoded in the structured documents that most closely match the consumer's profile. The consumer profiles are logically controlled by the consumer's computer, thus providing for enhanced security over information that is personal and confidential to the consumer, yet still allowing third parties such as web sites and others electronically delivering structured documents to the consumer to have such documents customized based on the consumer's profile. The consumer profile includes hierarchical attribute vectors which encode attributes of a consumer at progressively higher levels of abstraction, and allowing for querying of any combination of abstracted data or abstracted attributes of a consumer. The consumer profiles are updated with a process that reflects the relevance of each transaction to the consumer's profile, and accommodates a decay in the influence of transactions over time. A selection process for selecting content allows for multiple items of content to be selected for sequenced display to the consumer, through a limited presentation space. (Kramer also discloses use of interactive TV).

Other art cited in the previous Office Action.

10. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The Examiner works a part-time schedule and can normally be reached on Tuesday-Thursday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

June 13, 2003

KHL

*See Main for GWS*

STEPHEN GRAVINI  
PRIMARY EXAMINER